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Report Highlights:

This report covers peaches, nectarines, and cherries. Despite a persistent drought in northern China, production of peaches and nectarines is expected to gain slightly in MY 2024/25 to 17.6 MMT. Cherry production is estimated to continue increasing by 9 percent in MY 2024/25 to 850,000 MT on expanded area and increased bearings. Although growth in fruit consumption is generally weak amid subdued economic conditions, cherry imports will likely increase, largely because of enhanced marketing efforts by exporting countries.

Production

Peaches/nectarines

Post estimates China's peach and nectarine production at 17.6 million metric tons (MMT) in marketing year (MY) 2024/25 (January-December), slightly up from the previous year. Serious heat and drought have been affecting parts of northern China, including major peach/nectarine producing provinces, such as Shandong and Henan, since May. This weather pattern will likely lower peach/nectarine production as insufficient water will have a negative impact on fruit development, according to fruit farmers in Shandong where peach/nectarine harvest just began in early June. However, the anticipated reduction in certain parts of northern China will be offset by good harvests in other peach/nectarine producing areas that have not reported weather abnormalities. Peaches and nectarines are planted in northwestern provinces (e.g., Shaanxi and Shanxi) and southern China (e.g., Sichuan, Yunnan, Guizhou, and Anhui). Shanghai, Jiangsu, and Zhejiang produce smaller quantities but high value honey peaches.

Peach/nectarine acreage is estimated to continue declining in MY 2024/25, primarily in the northern plain area covering Hebei and Shandong provinces. Undesirable market returns have led some farmers to shift peach production to other profitable crops such as cherries. Tightened government policies on farmland use under the auspices of food security strategies also requires fruit farmers to give up peach crops for grain production if their orchards sit on "basic farmland" (refer to Policy section in GAIN report [CH2023-0103](#) for more information). Compared to high valued fruit such as cherries, greenhouse cultivation of peaches and nectarines is quite limited, but the area is slowly increasing as some farmers intend to harvest peaches/nectarines early for higher market prices. Local peach season begins in mid-May and ends in late October, while peaches/nectarines cultivated in greenhouses become available in April.

Fruit farmers have planted more peach/nectarine varieties to satisfy increasingly demanding consumers who can choose from various peaches and nectarines with juicy or firm texture; white, red, or yellow flesh; and round or flat shaped. A few varieties, such as button donut (flat) nectarines and mini nectarines, have recently been developed and entered the market. Industry sources predict that the market share of traditional peaches will continue to decline. Post learned during a crop tour that many Shandong farmers have replaced peaches with nectarines because consumers prefer the convenience of eating nectarines.

The Chinese peach industry consists of numerous small farmers with an average of 0.7 hectare of farmland, according to industry reports, which also indicate that farmers often plant multiple peach/nectarine varieties in their orchards. This production model can hardly produce peaches and nectarines with uniform quality. Given the perishable nature of this fruit, post-harvest treatment such as sorting is uncommon. Furthermore, cold chain transportation does not generally apply to peaches and nectarines, which are considered a low value fruit with abundant supplies. The biggest challenge facing Chinese peach production is high labor costs and an aging labor force. A recent survey shows that peach farmers are between 47 and 70 years old. In addition, labor costs have reached RMB 200 (\$27.8) per day for bagging peaches in Shandong, as Post learned during a crop tour in early June.

Cherries

Post estimates China's cherry production at 850,000 MT in MY 2024/25 (April-March), an increase of 6 percent from the revised number in the previous year. Currently, a drought persists in parts of northern China, including top cherry producing province Shandong. Luckily, cherry season in most northern production areas, covering Shandong, Henan, and Hebei, had ended when the drought situation started to worsen in early June. Accordingly, the adverse weather will only affect late ripening cherries, according to cherry growers in Yantai (Shandong), the most important cherry producing region in China. The drought has also led to generally smaller fruit size, as reported by Yantai cherry farmers. In other major producing areas, cherry production and quality is expected to improve under normal growing conditions. Post anticipates the country's cherry production to continue growing in years to come through area expansion and increased bearings.

Cherry acreage continues to expand, but the pace has slowed. Cherry planted area has stabilized in traditional cherry producing provinces such as Liaoning and Shandong after the central government introduced policies to regulate the use of farmland. For example, arable land must not be used for non-agricultural purposes and "basic farmland" should not be used for crops other than grains. Good market returns have encouraged farmers to plant more cherries in the mountainous or hilly areas in western provinces (e.g., Shaanxi, Shanxi, and Gansu) and southwestern provinces (e.g., Sichuan, Guizhou, and Yunnan). Industry reports reveal that greenhouse production of cherries has developed quickly in high altitude and colder areas, such as Inner Mongolia, Xinjiang, Heilongjiang, and Tibet. More private companies and individuals have invested in cherry production in greenhouses aimed at improving fruit quality and moving the harvest earlier. As a result, the share of greenhouse cherry production has reached nearly 50 percent in Dalian (Liaoning), the second largest cherry producing region. The majority of cherry production nationwide is still in open field.

Local governments in more developed regions support farmers to build rain shelters, which help prevent the fruit from splitting and protects against frost. According to local farmers in Shandong, the Yantai government currently provides a subsidy of \$10,417 per hectare for farmers to build rain shelters over cherry crops. Cherry farmers, especially those in traditional production provinces such as Liaoning and Shandong, are actively replacing old cherry varieties, such as Red Lantern, with market-favored ones such as Russian No. 8, according to industry sources. Other popular varieties include Beauty Early, Qizao, Jiahong, Rainier, Black Pearl, and Brooks. Chinese farmers favor early or mid-ripening varieties; late ripening varieties, such as Lapins, Regina, and Kordia, take up a relatively small market share.

Cherry quality has generally improved in recent years. A small portion of domestic cherries, especially those grown in greenhouses, compete with imported counterparts in terms of taste, color, and size, and freshness. However, the quality of domestic cherries is inconsistent because most cherries are produced by small farmers who operate on scattered land between 0.1 and 1.0 hectare. Many cherry farmers apply plant growth hormones to enlarge fruit size, which may lead to deformed fruit. Harvesting fruit pre-maturation to extend shelf life is common, but traders share that this practice reduces the flavor of the fruit (brix level). Domestic cherry producers generally don't have access to post harvest pre-cooling and cold chain transportation. All these factors explain the extremely low level of Chinese cherry exports.

Price

Cherries

Cherry prices dropped significantly in MY 2024/25 (April-March) from a year ago due largely to weak demand, as well as increased supplies. For example, Grade II (10-12 grams) Beauty Early cherries, were generally sold at RMB30 (\$4.2) per kilo, down 25 percent on a year-over-year basis, according to vendors at a major cherry wholesale market near Yantai. Smaller fruit sizes caused by droughts also put pressure on cherry prices. However, industry sources indicate that the prices of high-quality cherries (large, firm, dark color, and sweet) remain strong. For example, top grade cherries produced in greenhouses were purchased as high as \$40 per kilo at farms between March and May, according to fruit traders in Dalian.

Peaches/nectarines

Peach season began in late May. Although early ripening peaches/nectarines are not very tasty due to a short fruit development period, they are generally sold at higher prices than mid-ripening varieties, which become available in large volume in July. The farmgate price of yellow nectarines were quoted at RMB16 (\$2.2) in early June, unchanged from a year ago, as Post learned during a crop tour to Mengyin, the largest peach/nectarine producing county in Shandong. However, local fruit growers expect peach/nectarine prices to fall below the previous year's level when large volumes of peaches begin entering the market, given overall weak consumption this year. In general, early ripening peaches can catch higher prices, and the prices of yellow peaches and donut peaches are generally higher than traditional peaches (not including specialty honey peaches).

Consumption

Peaches/nectarines

The consumption of peaches and nectarines remains flat given sufficient supplies, especially during the peak production months of July and August. The tepid economy will further impact consumers' desire for peach/nectarine purchases when they have plenty of choices for other fruits and melons. Fruit traders indicate that consumption downgrade is more obvious this year as consumers are more cautious on spending. Meanwhile, high quality peaches, such as organic peaches and imported peaches, still attract upper middle-class consumers. In addition, demand for some specialty varieties, such as yellow donut peaches and mini nectarines, remains strong. In general, consumers in northern China prefer crispy peaches and nectarines, and southern consumers prefer juicy peaches. All consumers favor peaches/nectarines with higher brix levels. Most peaches and nectarines are consumed fresh. Nearly 20 percent of the peaches are processed into canned fruit, followed by juice, dried/preserved fruit, and wine. China is a traditional exporter of canned peaches to the United States and Japan.

Cherries

Cherry consumption will continue to increase as supplies improve. Sales of imported cherries, especially counter-seasonal cherries from southern hemisphere countries, are expected to increase as well, due largely to enhanced marketing efforts in lower tier cities. However, consumption downgrading amid

economic headwinds has also impacted cherry consumption, particularly the gift giving market, according to fruit traders who indicate that market movement of cherries has slowed. Consumers tend to look for medium-sized cherries that are more cost-effective. In addition, traders predict that increased supplies will put more pressure on cherry prices this year, though premium cherries, including imported ones, that feature large size, firm texture, dark color, and high brix level can still attract wealthier consumers.

Trade

Imports

China's cherry imports will continue to grow in the foreseeable future, primarily because of anticipated supply increases from Chile, the single largest supplier whose cherry production is projected to double in the coming years on expanded crop area, according to industry sources. Enhanced marketing efforts by the Chilean government and industry will help cherry sales penetrate into more second and third tier Chinese cities. Chilean cherry exports also benefit from chartered vessels to specially designated ports that help facilitate cherry movement. Nearly 90 percent of cherry imports enter China between December and February, during the local off season and peak consumption around Lunar New Year.

China's cherry imports from the United States, the largest supplier in the northern hemisphere, is expected to continue to increase in MY 2024/25 (April-March) as industry sources indicate that a projected production gain with adequate fruit size and brix level will attract the attention of Chinese buyers. Cherry imports from the United States rebounded sharply in MY 2023/24 from MY 2022/23 when low temperatures had dramatically reduced exportable supplies.

Peach and nectarine imports are projected to rebound in MY 2024/25 (January-December). Demand for counter-seasonal peaches and nectarines are expected to further increase after China granted access to Chilean peaches (see Policy). Peach and nectarine imports occur mostly between January and April from southern hemisphere suppliers, typically Chile and Australia. Imports of U.S. nectarines, whose supply season overlaps with China, remains limited.

Exports

Fruit traders predict that China's exports of peaches and nectarines are likely to further decline in MY 2024/25 given weak demand in neighboring markets including Vietnam, Kyrgyzstan, and Russia. China exports its peaches and nectarines mainly between May and September.

Policy

Packaging

On September 22, 2023, the State Administration for Market Regulation (SAMR) released National Standard on the Requirements for Restricting Excessive Packaging for Fresh Edible Agricultural Products, which entered into force on April 1, 2024 (see GAIN report [CH2023-0138](#)). The standard requires that the number of layers for packaging of fruit should be no more than four layers and that the ratio of packaging cost to the sales price should not exceed 15 percent for high value products, such as

cherries, with a sales price of above RMB100 (\$14). It also sets a limit of 10 percent to 25 percent interspace ratio for fresh products with different packages and weights. These packaging requirements apply to imported fruit, among other fresh edible agricultural products, that are sold in the Chinese market.

Trade

On October 23, 2023, the General Administration of Customs of China (GACC) published the phytosanitary requirements for imports of fresh peaches and apricots from Chile, making Chile the first country that has market access to China for all fruit categories. Currently, Chile can export cherries, nectarines, and prunes to China. In addition, Chile fruit exports to China enjoy a zero tariff under a bilateral free trade agreement.

On December 4, 2023, GACC announced the phytosanitary requirements for stone fruit from Kazakhstan, officially granting access to Kazakhstan fresh peaches and apricots with immediate effect. Likewise, GACC announced on May 9, 2024, that fresh Hungarian cherries meeting the stipulated phytosanitary requirements would be permitted for import into China. This makes cherries the first fruit item from Hungary to have gained access to the Chinese market.

China continues to impose retaliatory tariffs on stone fruit imports from the United States since 2018. A tariff exclusion process that allows importers to apply for an exclusion to the PRC's retaliatory Section 301 tariffs (see GAIN report [CH2020-0017](#)) has remained in place since March 2020. However, the process does not exclude the PRC's retaliatory Section 232 tariffs. As a result, cherries and nectarines from the United States need to pay additional 15 percent import tariffs on top of MFN duties (see details below).

Table 1. China: Import Tariff and VAT on Stone fruit with Major Trading Partners in 2024

Trade Partner	Tariff (%)		VAT (%)
	Peaches/Nectarines (HS code 080930)	Cherries (HS code 080929)	
Country/Region with FTA			
Chile	0	0	9
Australia	0	0	9
New Zealand	No market access	0	9
Taiwan	Peaches-0 Nectarines-No market access	No market access	9
Pakistan	No market access	0	9
Country/Region with no FTA			
United States	Nectarine-25 (as of March 2, 2020)* Peaches-No market access	25 (as of March 2, 2020)*	9
Canada	No market access	10	9
Argentina	No market access	10	9
Spain	Peaches-10 Nectarines-No market access	No market access	9
Turkey	No market access	10	9
Uzbekistan	No market access	10	9
Kyrgyzstan	No market access	10	9
Tajikistan	No market access	10	9
Kazakhstan	Peach-10	No market access	9
Hungary	No market access	10	9

Source: China Customs

Note: *Actual rate (includes Section 232 and MFN) if Section 301 tariffs are exempted upon approval.

Marketing

Cherries

The offline channel remains the main distribution channel for cherries, accounting for approximately 70 percent of overall sales, while E-commerce sales are growing rapidly. Live streaming is an emerging distribution channel with some influencers live streaming directly from cherry orchards, giving consumers a more personal connection to the product.

First tier cities like Beijing, Shanghai, Guangzhou, and Shenzhen remain the main markets for imported cherries, but demand from some second-tier inland cities like Guizhou, Hangzhou, and Chengdu is also growing. Key importers are based in Shanghai and Guangzhou.

As a result of the economic slowdown in China, some consumers have switched from purchasing more expensive large-sized domestic cherries to purchasing mid-size cherries that are lower priced. For this reason, 2-kilogram containers are currently popular.

In terms of competition, U.S. cherries enter the Chinese market at around the same time period as the harvest of domestic cherries. Market competition also results from increasing imports from Chile, which run counter cyclical to China's production season. Recently Chile started utilizing charter ships that have decreased logistical costs and increased the volume of cherries reaching the Chinese market. In 2023, Chile maintained 82 percent of the imported cherry market share.

Peaches/Nectarines

Competition for peaches and nectarines is high. The market for standard domestic peaches is saturated as consumers seek higher-quality varieties with unique flavors. Additionally, in line with the overall market trends toward healthier living, many middle-class consumers favor organic peaches and nectarines. While imported peaches are well received in first-tier cities, they are rarely found in retail channels in second-tier cities.

In terms of packaging, many fruit distributors and E-commerce companies have designed more durable packaging material for domestic peaches. These packages often imitate designs from Japan and South Korea, with 8 to 12 peaches per box. To adapt to lower demand, some companies have begun to package peaches in smaller quantities to reduce prices.

A vast swathe of the imported peach and nectarine market is comprised of Chilean origin fruit. Chilean peaches and nectarines will likely continue gaining market share as Chile only gained market access for peaches in 2023; Chile gained market access for nectarines in 2017.

Table 2. China: Peaches/Nectarines Production, Supply, and Distribution

Peaches & Nectarines, Fresh	2022/2023		2023/2024		2024/2025	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	848000	848000	840000	840000	0	830000
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	17000000	17000000	17500000	17500000	0	17600000
Non-Comm. Production	0	0	0	0	0	0
Production	17000000	17000000	17500000	17500000	0	17600000
Imports	44500	44500	40000	42500	0	54000
Total Supply	17044500	17044500	17540000	17542500	0	17654000
Domestic Consumption	16981200	16981500	17480000	17482500	0	17599000
Exports	63300	63000	60000	60000	0	55000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	17044500	17044500	17540000	17542500	0	17654000

Unit: hectare, metric ton

Table 3. China: Cherries Production, Supply, and Distribution

Cherries (Sweet&Sour), Fresh	2022/2023		2023/2024		2024/2025	
Market Begin Year	Apr 2022		Apr 2023		Apr 2024	
China	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	180000	186000	185000	193000	0	199000
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	680000	680000	760000	800000	0	850000
Non-Comm. Production	0	0	0	0	0	0
Production	680000	680000	760000	800000	0	850000
Imports	377700	377700	410000	388000	0	420000
Total Supply	1057700	1057700	1170000	1188000	0	1270000
Domestic Consumption	1057690	1057693	1169950	1187971	0	1269800
Exports	10	7	50	29	0	200
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	1057700	1057700	1170000	1188000	0	1270000

Unit: hectare, metric ton

Attachments:

No Attachments